

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:

COVENANT ROOFING AND
CONSTRUCTION INC

DEBTOR

CASE NO:

23-00999-5-JNC

CHAPTER 7

**TRUSTEE'S MOTION FOR SHOW CAUSE ORDER AS TO WHY
CENTERCARD SHOULD NOT BE HELD IN CONTEMPT OF COURT**

NOW COMES James B. Angell, Chapter 7 Trustee for Covenant Roofing and Construction, Inc. ("Trustee") by and through undersigned counsel, and moves the Court for an order requiring CENTERCARD to show cause why it should not be held in contempt of Court for failure to comply with the Order Directing a Rule 2004 Examination (DE 170) entered on August 7, 2023, and, in support of same, shows the Court as follows:

1. This matter is a core proceeding pursuant to 28 U.S.C. §157, and the Court has jurisdiction pursuant to 28 U.S.C. §§ 151, 157, and 1334. The Court has the authority to hear this matter pursuant to the General Order of Reference entered August 3, 1984, by the United States District Court for the Eastern District of North Carolina.
2. The Debtor herein filed a voluntary petition under Chapter 11 on April 11, 2023. The case was converted to a case under chapter 7 on June 29, 2023. James B. Angell is the duly appointed, qualified and acting Chapter 7 Trustee.
3. On August 7, 2023 the Court entered an Order Directing a Rule 2004 Examination (DE 170), compelling CENTERCARD to produce documents to the Trustee. A copy of the Order Directing a Rule 2004 Examination is attached hereto as Exhibit A.
4. The Order Directing a Rule 2004 Examination (DE 170) was served on CENTERCARD by first-class mail on August 8, 2023.(DE 193).
5. CENTERCARD has failed to comply or respond to the Directing a Rule 2004 Examination (DE 170).

WHEREFORE, the Trustee prays for the Court to grant the following relief:

1. That CENTERCARD be ordered to show cause as to why it should not be held in contempt of court for its actions in failing to produce the required documents; and
2. For such other and further relief as the court may deem just and proper.

DATED: January 25, 2024


s/ James B. Angell
James B Angell
NC State Bar No. 12844
Howard, Stallings, From,
Atkins, Angell & Davis, P.A.
State Bar No. 57970
P.O. Box 12347
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jangell@hsfh.com
Chapter 7 Trustee



SO ORDERED.

SIGNED this 7 day of August, 2023.

EXHIBIT A



Joseph N. Callaway
United States Bankruptcy Judge

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ORDER DIRECTING A RULE 2004 EXAMINATION

THIS MATTER is before the Court on motion of James B. Angell, Chapter 7 Trustee, in the above- referenced case, for an order requiring CENTERCARD to permit examination of certain documents pursuant to Rule 2004. The Court finds:

1. The Debtor herein filed a voluntary petition under Chapter 11 on April 11, 2023. The Case was converted to a case under Chapter 7 on June 29, 2023. James B. Angell is the duly appointed, qualified and acting Chapter 7 Trustee ("Trustee").
2. The Trustee seeks information from CENTERCARD regarding the acts, conduct, or property or to the liabilities and financial condition of the Debtor, the Debtor's right to a discharge, if applicable, or to any matter which may affect the administration of the Debtor's estate.
3. Specifically, the Trustee seeks to have CENTERCARD produce the documents listed on Exhibit A attached hereto on or before ten days after the date of entry of an order allowing this Motion at 5:00 P.M.
4. The Court finds that the Trustee's motion is proper and appropriate and should be granted.

THEREFORE, IT IS ORDERED that CENTERCARD shall produce those documents described in Exhibit A for examination and copying at the offices of Howard, Stallings, From, Atkins, Angell & Davis, P.A., at 5410 Trinity Road, Suite 210, Raleigh, North Carolina, 27607 on or before ten days after the date of entry of this Order at 5:00 P.M. or such other place as may be mutually agreed or such later date as may be designated by the Trustee.

EXHIBIT A

This request is made upon CENTERCARD for records in your possession, custody, or control.

“You” means CENTERCARD.

The “Debtor” means Covenant Roofing and Construction, Inc., also doing business as Covenant Solar & Roofing.

1. Produce all documents evidencing any contract terms between You and the Debtor in effect from January 1, 2018 to the present, specifically including but not limited to any terms regarding the payment of any obligation due to You from the Debtor.
2. Produce all documents evidencing the terms of any note made by the Debtor to You which remained in any part unpaid during the period beginning January 1, 2018 to the present, specifically including but not limited to any terms regarding the payment of any obligation due to You from the Debtor.
3. Produce all documents evidencing the grant or perfection of any collateral granted by the Debtor for any payment obligation due to You at any time beginning January 1, 2018 to the present.
4. Produce all invoices, bills or demands or other evidence of notices of payments due to You from the Debtor sent by you or on your behalf during the period beginning January 1, 2018 to the present.
5. Produce all ledgers, credit memos, receipts, credited invoices, or other evidence of payments received from any person or entity with respect to any payment obligations of the Debtor to You from January 1, 2018 to the present.
6. Produce all ledgers of amounts billed, billing dates, and delivery or service dates of any goods or services provided by You and payment dates and amounts paid to You for such goods or services from January 1, 2018 to the present,
7. Produce all correspondence (including emails, text messages and other electronic forms of correspondence) between You and the Debtor regarding the payment of any obligations due to You from the Debtor from January 1, 2018 to the present.
8. Produce all documents evidencing any obligations that You had or have to the Debtor to make payment to the Debtor from January 1, 2018 to the present.

9. Produce all documents evidencing any rights to setoff that the Debtor asserted or you accepted with respect to any payment obligation of the Debtor to You from January 1, 2018 to the present.
10. Produce all correspondence (including emails, text messages and other electronic forms of correspondence) between You and the Debtor regarding the payment of any obligation due to You from the Debtor from January 1, 2018 to the present.
11. Produce any documents, including but not limited to financial statements, that reflect the Debtor's financial condition at any time between January 1, 2018 and the present.

END OF DOCUMENT

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CERTIFICATE OF SERVICE

The undersigned hereby certifies under penalty of perjury that she is over eighteen (18) years of age and the **TRUSTEE'S MOTION FOR SHOW CAUSE ORDER AS TO WHY CENTERCARD SHOULD NOT BE HELD IN CONTEMPT OF COURT** was this day served upon the below named persons, parties and/or counsel by mailing, postage prepaid, first class mail, a copy of such instruments to such persons, parties and/or counsel at the address shown below or as indicated below:

Brian C. Behr, Esquire Bankruptcy Administrator <i>Served via cm/ecf and by email to <u>Lesley_Dean@nceba.uscourts.gov</u></i>	Laura Greene Justin Mertz Christopher J. Schreiber <i>Attorneys for Debtor Served via cm/ecf</i>
Covenant Roofing and Construction Inc 1023 S. Miami Blvd Durham, NC 27703	CENTERCARD Attn: MANAGING AGENT OR OFFICER 855 106th Ave NE Bellevue, Washington, 98004

DATED: January 25, 2024

s/Qiara McCain
Qiara McCain, Paralegal.
P.O. Box 12347
Raleigh, NC 27605